



FEDERAL ELECTION COMMISSION
Washington, DC 20463

January 17, 2014

Scott E. Thomas, Esq.
Dickstein Shapiro LLP
1825 Eye Street NW
Washington, DC 20006-5403

Re: ADR 681 (RR 12L-71)
Democratic Foundation of Orange County and Xavier R. Martinez, Treasurer

Dear Mr. Thomas:

The Federal Election Commission (FEC or Commission) requested the Office of General Counsel (OGC) refer RR 12L-71 to the ADR Office. The ADR Office designated the referral as ADR 681. The referral by the Reports Analysis Division (RAD) was based on the potential misuse of campaign funds by the Committee's former Treasurer, which reflect a possible failure to comply with the Federal Election Campaign Act of 1971, as amended. The OGC notified the committee of this referral on August 22, 2012.

The FEC established the ADR Program to provide an informal means for resolving matters that come before the Commission and to facilitate negotiations directly with the Committee. The ADR Program provides Respondents with an opportunity to negotiate settlement of a matter that is mutually agreeable. If negotiations are successful, the resulting settlement concludes the matter.

The Commission, in referring the matter to the ADR Office, determined that the case is eligible for processing in the ADR program. If Respondents decide to participate in the ADR Program, you must: 1) indicate in writing a willingness to have your case submitted for ADR processing; 2) agree to participate in the bilateral interest based negotiations; and 3) waive the statute of limitations while the matter is being processed under the FEC's ADR program.

The issues referred to the ADRO, and the focus of our subsequent negotiations, are those identified in the correspondence the Committee received from OGC.

If after reviewing this letter and the enclosed ADR Frequently Asked Questions, which describe the ADR program, Respondents would like to participate in ADR processing, you need to affirmatively indicate that on the enclosed Commitment to Submit Matter to ADR form. **Failure to respond affirmatively within fifteen (15) business days of receipt of this letter will be taken as a notice of disinterest in the program and your case will be dropped from**

further consideration for ADR. In that event, your case will be sent to the FEC's Office of General Counsel for further processing, and the likelihood that the Committee will be audited during the next election cycle will increase.

This matter has been designated as **ADR 681**. Please refer to this number in future correspondence with the FEC. If you have questions about the ADR Program, please contact the ADRO at my direct dial as indicated below

Sincerely,

Krista J. Roche, Assistant Director
Alternative Dispute Resolution Office
202-694-1661

Enclosures: ADR Frequently Asked Questions
Commitment to Submit Matter to ADR
Designation of Representative/Counsel